

country and the extent to which it is more than the average production cost of the world;

(c) whether the Steel Authority of India Limited is contemplating to take steps to bring down this production cost;

(d) if so, the details thereof; and

(e) the extent to which the production cost is likely to be decreased ?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) : (a) and (b) The cost of production of steel primarily depends upon prices of inputs such as iron ore, coal, steel scrap and energy, costs of freight and labour and financial charges. As per BICP Tour report on cost study of steel industry, the average cost pattern for production of saleable steel in different countries, based on 1994 data, are as below :

Countries	Cost (US \$ per tonne)
USA	503
UK	423
France	504
Germany	530
India (SAIL)	410

(c) Yes, Sir.

(d) and (e) Steps taken by SAIL to reduce production costs and to improve performance are :

- Modernisation and technological upgradation of its plants.
- Improved quality, product-mix and production in line with market requirements.
- Improving techno-economic factors viz., reduction in coke rate, energy consumption, metallic input, improvement in yield etc.
- Improving availability of equipment through effective maintenance.
- Strict control and reduction in cost of production.

SAIL has planned to reduce the controllable production cost of saleable steel by about 7-8% during 1997-98.

[English]

Cellular Service by Reliance Telecom

395. SHRIMATI LAKSHMI PANABAKA : Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether the Government propose to build a global system for mobile communication network to serve its seven circles;

(b) whether the Reliance Telecom has become one of the largest cellular services in India;

(c) if so, the name of the States where it is likely to be provided; and

(d) to what extent the Reliance Telecom have established services in the country ?

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA) : (a) No, Sir.

(b) and (c) The company holds licences for Cellular Mobile Telephone Service for seven Telecom. Circles which is the maximum number of licences held by a single company. A total of 33 licences for Telecom Circles and 8 licences for 4 metro cities have been awarded for Cellular Mobile Telephone Service. The Telecom Circles awarded to the company are (i) Assam (ii) Bihar (iii) Himachal Pradesh (iv) Madhya Pradesh (v) North East (vi) Orissa & (vii) West Bengal.

(d) The commercial Cellular Mobile Telephone Services by the company have not yet been started in any of the Circles.

National Power Grid

396. SHRI K.H. MUNIYAPPA :
SHRI SANTOSH MOHAN DEV :

Will the Minister of POWER be pleased to state :

(a) whether a proposal to set up a National power grid in the country to help in meeting power the power shortage in various States is under consideration of the Union Government;

(b) if so, whether the State Governments have been consulted in forming the National Power Grid;

(c) if so, their opinion and the time by which a final decision is likely to be taken;